# THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE March 19, 2014

## Staff Report

# REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Les	ter				
Applicant:		Cou	County of Contra Costa		
Contact Information:  Name: Address: Phone:		30 1	Alicia Smith 30 Muir Road Martinez, CA 94553		
			(925) 674-7885		
<b>Allocation Amount Requeste</b>	<b>88,4</b>	99,375	<b>Converted MCC Authority:</b>	\$2,124,844	
Applicant's Fair Share Amou	<b>unt:</b> \$8,4	99,375	<b>Converted MCC Authority:</b>	\$2,124,844	
Participating Jurisdictions: County of Contra Costa					
	Program S Ate tax credit  mits to be as as: 11 ur as: 29 ur as: 0 ur as: 40 ur	MCC: status: t rate: sisted/amits (29% nits (71% nits (0%) nits with	January 10, 2014 April 10, 2014 Existing 20%  verage mortgage amount: 6) with an average mortgage amount of with an average mortgage amount of and average mortgage amount of \$2  X Estimates Actual requirements imposed by	of \$250,000 of \$000,000 64,286	
least 40% of the property.  Tract.  The application incomes	ogram partic	plicant e	met the 2013 minimum performance re lower-income households or locate expects to meet the 2014 minimum p m participants will be lower-income	requirement that at ed in a Qualified Census erformance	

### **Recommendation:**

Staff recommends that the Committee approve an amount of \$8,499,375 in tax-exempt bond allocation to the County of Contra Costa for the Mortgage Credit Certificate Program. This is the Applicant's 2014 fair share amount.

#### DESCRIPTION OF PROPOSED PROGRAM:

• Population to be served by the proposed Program (family size, income levels, etc.):

According to the Applicant, the proposed Program expects to serve all ethnic groups and family sizes with a minimum of 40% of the households at or below 80% of the median income adjusted by household size.

- Estimated number of first-time homebuyers to be assisted: 40
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of existing homes. The homes are typically detached units and attached condominiums with two to three bedrooms, one to two bathrooms, and an average size of 900 to 1,500 square feet.

• Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:

According to the Applicant, the program will reserve at least 40% of the certificates for federally designated target areas and at least 40% of the MCCs for families with incomes at or below 80% of the area median income adjusted for family size.

• Expected duration MCCs will be available and anticipated monthly rate of issuance.:

According to the Applicant, based on past information, the anticipated monthly rate of issuance is 25 to 30 MCCs per month. Based on this information MCCs are expected to be available for two months.

• Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, the cities of Concord, Hercules, Pinole, Pittsburg, San Pablo, Walnut Creek and Richmond have first-time homebuyer programs that can utilize MCC's.

• Additional features unique to the proposed Program:

None indicated.

#### **PURCHASE PRICE INFORMATION:**

#### The proposed maximum limits are:

Unit Type	Average Area Purchase Price*	Non-Target Area Max Purchase Price	Target Area Max Purchase Price
New Units	\$748,462	\$673,616	\$823,308
Existing Units	\$748,462	\$673,616	\$823,308
*This is established by (c		IRS Safe Harbor limitations As determined by special surv	rey

#### Expected average sales prices of the estimated units to be assisted:

New Units	\$525,000
Existing Units	\$475,000
Rehabilitated Units	N/A

### **MAXIMUM INCOME LIMITATIONS:**

Area median income on which maximum program limits are based: \$88,500 Applicable standard that defines the area median income: X HUD county MSA median HUD statewide median Local median as determined by a special study 40% Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): Proposed maximum income limits: Household Size Target Area Non-Target Area 1-2 persons \$88,500 \$106,200 3+ persons \$101,775 \$123,900

#### **DESCRIPTION OF PUBLIC BENEFITS:**

#### **Past Program Performance:**

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2011	Did Not Apply	N/A	N/A	N/A
2012	\$7,059,414	\$7,004,388	34	\$13,757
2013	\$7,067,129	\$5,468,697	27	\$399,608

Pursuant to Section 5269 of the CDLAC Regulations, the Applicant has:

- 1 Demonstrated that no Mortgage Credit Certificate authority from the year two years prior to the current year has been unused (other than minor amounts not to exceed \$1 million); and
- 2 Certified that any Mortgage Credit Certificate authority remaining from the year prior to the current year will be used before the use of new Mortgage Credit Certificate Authority.